



Edgar Filing: Propell Technologies Group, Inc. - Form 8-K

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

### **Item 1.01 Entry into a Material Definitive Agreement**

On March 1, 2016, Propell Technologies Group, Inc. (the “Company”) entered into a three year Employment Agreement (the “Employment Agreement”) with David S. Ramsey to serve as the Company’s Chief Operating Officer.

Under the Employment Agreement, for his service as the Chief Operating Officer of the Company, Mr. Ramsey will receive an annual base salary of \$220,000, and an annual performance bonus of up to 40% of his base salary, such bonus payable in cash or equity upon attainment of certain performance indicators established by the Company’s Board of Directors. In connection with the entry into the Employment Agreement, Mr. Ramsey was granted an option award exercisable for 1,000,000 shares of the Company’s common stock, which will vest as to 333,334 shares on the one year anniversary and 333,333 shares on each of the two and three year anniversary of the commencement of his employment with the Company. In the event of the sale of all of the Company’s assets or any field acquired by the Company during the employment period which sale occurs after the six month anniversary of his employment and before the two year anniversary of his termination of employment, the Employment Agreement provides that Mr. Ramsey will receive a bonus equal to 2% of net cash proceeds received by the Company from such sale after payment of certain costs and expenses. In the event that Mr. Ramsey’s employment is terminated Without Cause (as defined in the Employment Agreement), by Mr. Ramsey for Good Reason (as defined below), Disability (as defined in the Employment Agreement) or upon his death, if any occur after the one year anniversary of his employment, Mr. Ramsey is entitled to receive a severance payment equal to one year’s base salary, any bonus earned which remains unpaid at such time and reimbursement of expenses. In the event of a Change of Control (as defined in the Employment Agreement), Mr. Ramsey will receive a severance payment equal to one year’s base salary, any bonus earned which remains unpaid at such time and reimbursement of expenses. In addition, if a Change of Control occurs after the one year anniversary of the commencement of his employment with the Company, all of Mr. Ramsey’s options shall immediately vest. The Employment Agreement also includes customary confidentiality obligations and inventions assignments by Mr. Ramsey as well as a non-compete and non-solicitation provision. If his employment is terminated for Cause (as defined below) or by him Without Good Reason (as defined in the Employment Agreement), Mr. Ramsey is entitled to receive his annual base salary through the date of termination and any bonus earned but unpaid.

For purposes of the Employment Agreement, “Good Reason” is defined as (i) any material and substantial breach of the Employment Agreement by the Company; (ii) a Change in Control (as defined in the Employment Agreement) occurs and Mr. Ramsey’s employment is terminated at any time within the six (6) month period on or immediately following the Change in Control; (iii) a reduction in Mr. Ramsey’s Annual Base Salary as in effect at the time in question, or any other failure by the Company to comply with the compensation terms of the Employment Agreement; or (iv) the Employment Agreement is not assumed by a successor to the Company.

For purposes of the Employment Agreement, “Cause” is defined as (i) acts of embezzlement or misappropriation of funds or fraud; (ii) conviction of a felony or other crime involving moral turpitude, dishonesty or theft; (iii) a material violation by Mr. Ramsey of any provision of the Employment Agreement, including willful failure to perform

assigned tasks, willful and unauthorized disclosure of Company material confidential information; (iv) being under the influence of drugs (other than prescription medicine or other medically related drugs to the extent that they are taken in accordance with their directions) during the performance of Mr. Ramsey's duties and that performance of his duties is affected; (v) engaging in behavior that would constitute grounds for liability for harassment (as proscribed by the U.S. Equal Employment Opportunity Commission Guidelines or any other applicable state or local regulatory body) or other egregious conduct that violates laws governing the workplace; or (vi) willful failure to perform his assigned tasks, where such failure is attributable to the fault of Mr. Ramsey, gross insubordination or dereliction of fiduciary obligations which, to the extent it is curable by Mr. Ramsey, is not cured by Mr. Ramsey within thirty (30) days of receiving written notice of such violation by the Company.

The information contained in this Item 1.01 regarding the Employment Agreement is qualified in its entirety by the copy of the Employment Agreement attached to this Current Report on Form 8-K as Exhibit 10.1 and is incorporated herein by reference.

**Item 3.02 Unregistered Sales of Equity Securities.**

The disclosure in Item 1.01 is incorporated herein by reference thereto. The Company approved the issuance of an option exercisable for 1,000,000 shares of the Company's common stock vesting as to 333,334 on the one year anniversary and 333,333 shares on each of the two and three year anniversary of Mr. Ramsey's employment. The offer and issuance of the options were not registered under the Securities Act of 1933, as amended (the "Securities Act"), at the time of issuance, and therefore may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. For these issuances, the Company has relied on the exemption from federal registration under Section 4(a)(2) of the Securities Act, based on the Company's belief that the offer and sale of the shares has not and will not involve a public offering as the recipients of the shares are "accredited investors" as defined under Section 501 promulgated under the Securities Act.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

On March 1, 2016, Mr. Ramsey, age 57, was appointed to serve as the Chief Operating Officer of the Company.

Mr. Ramsey has extensive experience in the oil and gas industry. Since July 2014 until February 2016, Mr. Ramsey served as the Operations Manager of Tecpetrol International S.A. From 2011 until 2014, he served as Senior Production Engineer/ Engineering Manager at SK E&P. Prior to his employment at SK E&P Company, from 2009 until 2011, Mr. Ramsey served in various positions at Dune Energy Inc. including as the Engineering Manager and Senior Production Engineer and prior to his employment at Dune Energy, Mr. Ramsey served in various positions at Cabot Oil and Gas Corp.

There are no family relationships between Mr. Ramsey and any director, executive officer or any person nominated or chosen by the Company to become an executive officer. Mr. Ramsey was not selected as Chief Operating Officer pursuant to any arrangement or understanding with any other person, and does not have any reportable transactions under Item 404(a) of Regulation S-K.

See Item 1.01 for a description of the terms of the Employment Agreement.

**Item 9.01 Financial Statements and Exhibits.**

**EXHIBIT INDEX**

**Exhibit No. Description**

10.1 Employment Agreement, dated March 1, 2016 by and between David S. Ramsey and the Company.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 1, 2016 **PROPELL  
TECHNOLOGIES GROUP,  
INC.**

By: /s/ C. Brian Boutte  
Name: C. Brian Boutte  
Title: Chief Executive Officer